

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 16-17	Business Unit 1110 1111	Department Department of Consumer Affairs	Priority No. 1
Budget Request Name 1110-006-BCP-BR-2016-GB 1111		Program 1155-ACUPUNCTURE BOARD	Subprogram

Budget Request Description

Curriculum Review and Licensing related to Chapter 397, Statutes of 2014 (SB 1246)

Budget Request Summary

The Acupuncture Board is requesting an increase in the Board's expenditure authority of \$512,000 in Fiscal Year (FY) 2016-17 and \$373,000 in FY 2017-18 and ongoing to fund 1.0 Staff Services Manager I position, 2.0 Staff Service Analyst/Associate Governmental Program Analyst positions, and 1.0 Office Technician positions in the Licensing Curriculum Compliance Unit, and modifications to the Consumer Affairs System (CAS) related to the workload to implement the provisions of SB 1246.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO <i>Amber Jones</i>	Date 8-31-15
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By <i>Jeff Carosone</i>	Date 8/31/15	Reviewed By <i>[Signature]</i>	Date 08/27/15
Department Director <i>Charles Rhoads</i>	Date 8/31/15	Agency Secretary <i>Michael Caballero</i>	Date 9-1-15

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

P Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA	Original signed by Jeff Carosone	Date submitted to the Legislature 1-7-16
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BCP Fiscal Detail Sheet

BCP Title: Acupuncture - SB 1246 Curriculum Review & Licensing

DP Name: 1111-006-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	4.0	4.0	4.0	4.0	4.0
Total Positions	0.0	4.0	4.0	4.0	4.0	4.0
Salaries and Wages						
Earnings - Permanent	0	213	213	213	213	213
Total Salaries and Wages	\$0	\$213	\$213	\$213	\$213	\$213
Total Staff Benefits	0	126	126	126	126	126
Total Personal Services	\$0	\$339	\$339	\$339	\$339	\$339
Operating Expenses and Equipment						
5301 - General Expense	0	7	7	7	7	7
5302 - Printing	0	2	2	2	2	2
5304 - Communications	0	5	5	5	5	5
5306 - Postage	0	2	2	2	2	2
5320 - Travel: In-State	0	1	1	1	1	1
5322 - Training	0	2	2	2	2	2
5324 - Facilities Operation	0	120	13	13	13	13
5344 - Consolidated Data Centers	0	2	2	2	2	2
5368 - Non-Capital Asset Purchases - Equipment	0	32	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$173	\$34	\$34	\$34	\$34
Total Budget Request	\$0	\$512	\$373	\$373	\$373	\$373

Fund Summary

Fund Source - State Operations						
0108 - Acupuncture Fund	0	512	373	373	373	373
Total State Operations Expenditures	\$0	\$512	\$373	\$373	\$373	\$373
Total All Funds	\$0	\$512	\$373	\$373	\$373	\$373

Program Summary

Program Funding						
1155 - Acupuncture Board	0	512	373	373	373	373
Total All Programs	\$0	\$512	\$373	\$373	\$373	\$373

		Salary Information								
		Min	Mid	Max	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions										
1139 -	Office Techn (Typing) (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
4800 -	Staff Svcs Mgr I (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
5393 -	Assoc Govtl Program Analyst (Eff. 07-01-2016)				0.0	2.0	2.0	2.0	2.0	2.0
Total Positions					0.0	4.0	4.0	4.0	4.0	4.0
		CY	BY	BY+1	BY+2	BY+3	BY+4			
Salaries and Wages										
1139 -	Office Techn (Typing) (Eff. 07-01-2016)	0	37	37	37		37			37
4800 -	Staff Svcs Mgr I (Eff. 07-01-2016)	0	72	72	72		72			72
5393 -	Assoc Govtl Program Analyst (Eff. 07-01-2016)	0	104	104	104		104			104
Total Salaries and Wages		\$0	\$213	\$213	\$213		\$213			\$213
Staff Benefits										
5150350 -	Health Insurance	0	49	49	49		49			49
5150500 -	OASDI	0	16	16	16		16			16
5150600 -	Retirement - General	0	54	54	54		54			54
5150800 -	Workers' Compensation	0	7	7	7		7			7
Total Staff Benefits		\$0	\$126	\$126	\$126		\$126			\$126
Total Personal Services		\$0	\$339	\$339	\$339		\$339			\$339

Analysis of Problem

A. Budget Request Summary

The Acupuncture Board (Board) is requesting an increase in the Board's expenditure authority of \$512,000 in Fiscal Year (FY) 2016-17 and \$373,000 in FY 2017-18 and ongoing to fund 1.0 Staff Services Manager I, 2.0 Staff Service Analyst/Associate Governmental Program Analyst positions, and 1.0 Office Technician (Typing) position in the Licensing Curriculum Compliance Unit and modifications to the Consumer Affairs System (CAS) related to the workload to implement the provisions of Chapter 397, Statutes of 2014 (SB 1246).

B. Background/History

The Board administers the Acupuncture Licensure Act Business and Professions Code (BPC) sections 4925-4979 and California Code Title 16, Chapter 13.7, sections 1399.400-1399.489.1.

The Board's six main functions include administration, enforcement, licensing, education, and exam regulation. As part of its education function, the Board approves acupuncture training curriculum in schools (BPC 4939, 4973) throughout the country and tutorial training programs (BPC 4940) within California. Throughout the country, 38 of the 65 nationally accredited acupuncture schools are California Board approved. Under the current law, public safety is protected by limiting those eligible to take the licensure exam to graduates from Board approved training programs. Schools seek Board approval of their curriculum and clinical training program, so their graduates will be eligible to take the California Acupuncture Licensing Examination (CALE) administered by the Board. In addition, the Board also has enforcement authority to monitor training programs to ensure compliance. These functions require site visits for these inspections.

Resource History
(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY - 1	PY
Authorized Expenditures	2,614	2,580	2,751	2,797	3,258
Actual Expenditures	1,945	1,860	1,954	2,797	3,258
Revenues	2,437	2,406	2,636	2,657	3,110
Authorized Positions	8.8	9.0	8.0	8.0	11.0
Filled Positions	6.8	6.0	6.5	8.0	10.0
Vacancies	2.0	3.0	1.5	0	1.0

C. State Level Considerations

The changes in licensure and school oversight open up potential eligibility to all 65 plus accredited acupuncture schools around the country, not just the 38 Board approved schools. As a result, graduates from schools with lower standards than California will be allowed to apply to take the licensure exam. These applicants with less training will require a higher level of scrutiny and need for additional documentation in order to demonstrate their compliance with California curriculum and clinical standards in order to protect public safety. To prevent lower qualified practitioners from becoming licensed to practice in California, the Board will have to verify each course, verify faculty experience, licensure, and background-checks to verify compliance with California standards. Upholding California standards will be critical to protecting public safety and facilitating successful integration of acupuncture into the mainstream health care system in California under the Affordable Care Act.

D. Justification

SB 1246 made substantive changes to the Acupuncture Licensure Act that generates new and ongoing workload to the Board. The changes include: 1) redefining conditions for licensure; 2) redefining what constitutes an "approved" training program; 3) new authority to establish curriculum and clinical training standards for graduates of foreign training programs outside the U.S. and Canada. The changes in both licensure and approved training programs expand who is eligible for licensure beyond Board approved training programs.

Analysis of Problem

The workload increase has three components. 1) Increased workload as a result of newly defined educational and licensure requirements that allow graduates from all of the 65 plus accredited schools to apply for the exam and licensure. Under current law, only graduates from the 38 Board approved schools can apply for the exam and licensure. After 2017 graduates from 28 additional non-Board approved schools that may have lower standards than California may apply to take the CALE. The Board anticipates a two-to-three fold increase in applicants to take the exam because of a "perceived" lowering of the education and licensure standards in California and an increase in the number of newly eligible attending accredited schools not currently eligible in California. 2) SB 1246 keeps the Board's standards and Board's approval of curriculum in place, but removes the curriculum compliance verification for curriculum compliance documentation. The loss of this verification system significantly increases the complexity and workload volume that must be completed within relatively short statutorily defined deadlines--30 days for school curriculum review and within the exam application regulatory deadlines of 60-90 days. 3) SB 1246 requires the Board to establish curriculum standards for foreign applicants seeking licensure. The establishment of curriculum standards will create additional costs related to hiring of subject matter experts (SME), meeting facilitation with SMEs, translation of foreign curriculum and documents, and travel of SMEs and Board members. Establishment of standards and full implementation of standards is deadline specific to January 1, 2017. The consequence of delayed implementation of standards means that no foreign applicants will be able to apply to take the exam. This will create political turmoil within the Legislature as they hear complaints from the foreign applicants who are accustomed to having access to take the exam and become licensed.

The anticipated increase in applications will be from graduates of the 28 non-Board approved schools that require comprehensive compliance evaluation of their 3,000 hour curriculum and clinical training programs to determine whether they meet the licensure requirements. We anticipate that schools who are denied will keep applying because after 2017 there will be no cost of applying for Board approval of their curriculum. The Board estimates that all of the 28 non-Board approved schools will apply for Board approval of their curriculum and assumes that per year 6-8 schools will apply and re-apply for Board approval, which must be rendered within 30 days. School applications are typically 1000 pages or more and take 30 days to review. Multiple staff must be available to conduct school curriculum approval evaluations in the event the Board receives multiple applications within the same month.

The Board is unable to redirect staff to handle the new workload. Currently, there is no SSA/AGPA level staff in the Licensing Unit. The 2.0 OTs in the Licensing Unit only issue licenses not evaluate licensure or curriculum compliance. The exam unit has an OT and SSA/AGPA level staff and is undergoing a reclassification of the OT into an SSA/AGPA to handle current exam workload. The exam OT was working out of class because the majority of the exam workload was analyst level workload and exceeded what 1.0 AGPA could perform. During the last exam, the AGPA staff worked overtime to process over 700 exam applications. Neither unit has the staffing levels or positions to handle the additional anticipated workload of more complex curriculum compliance analysis, determinations and appeals. SB 1246 essentially shifts the volume and complexity of the both exam and licensure workload from program administration type workload to more complex curriculum and licensure compliance workload that neither unit can absorb nor has staffing resources to accommodate. Since the Legislature's intent to increase access for out of state and foreign graduates to practice in California, the compliance workload will be permanent and ongoing, not temporary. In addition to the complexity and increased workload, there is a need for quality control of all curriculum evaluation determinations, which requires a manager level staff to ensure the determinations do not vary by staff and all decisions are reviewed. There are risks to public safety in not having proper quality control in place for curriculum compliance determinations. The high volume of non-compliance and fraud among foreign applicants this last exam re-enforces the need for this manager level quality control. Historically, the Board has suffered from lack of quality control and consistency in their evaluations due to under staffing. This was partially addressed when the analysis work was shifted entirely to the AGPA, but the workload then exceeded what one position could perform.

Analysis of Problem

This critical workload cannot be absorbed and supported with additional staff to ensure public safety is protected. To address the additional staff and CalHR staffing ratios, the Board is requesting one Staff Services Manager I. The additional workload is not absorbable by the Executive Officer who currently supervises 10 fulltime positions and 3 part time staff, and oversees the Board's six major functions: enforcement, education, exam, licensing, administration and policy and regulatory development and implementation. The EO is the only manager level staff in the Board. There is a need for a manager level staff to assist with the complex compliance, regulatory and staff supervision workload.

The Board does not have the space to accommodate the four requested positions in its current facility, so it would need more space. The one-time costs in FY 2016-17 are estimated at \$160,000. Facility costs are estimated at \$120,000 beginning January 2016, and \$13,000 in FY 2017-18 and ongoing.

IT Impact

Minor changes would need to be made to CAS to accommodate some of the changes made by this bill. Programing is estimated at 80 hours at a cost of \$100/hour or \$8,000.

E. Outcomes and Accountability

Projected Outcomes

Workload Measure	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Exam applications	2,000	2,200	2,500	3,000	2,500
Accredited Non-Board Approved School applications	27	27	27	27	27
Regulatory Implementation	5	6	5	5	5
Staff	17	17	17	17	17

F. Analysis of All Feasible Alternatives

Alternative #1: Approve position authority for 1.0 Staff Services Manager I, 2.0 SSA/AGPA and 1.0 OT (Typing) to support the Licensing Curriculum Compliance Unit and modifications to CAS to implement the provisions of SB 1246.

Pros: The additional staff will ensure that the Board will be able to comply with SB 1246 and manage the increase to the Licensing Curriculum Compliance Unit.

Cons: The increase in position authority and funding could create a structural deficit in the Board's fund.

Alternative #2: Approve position authority for 1.0 Staff Services Manager, 1.0 SSA/AGPA and 1.0 OT (Typing) position with two year limited term funding and a budget augmentation of \$256,000 in FY 2016-17, and ongoing to support the Licensing Curriculum Compliance Unit and modifications to CAS to handle a portion of the workload associated with the provisions of SB 1246.

Pros: This alternative would provide staffing to assist the Board in complying with the provisions of SB 1246.

Cons: This request would only partial fulfill the staffing needs of the Board to implement SB 1246 and would only provide limited term funding for the OT. It could cost the Board more money to pay for overtime, and temporary help in the effort to be compliant with the provisions of SB 1246.

Alternative #3: Approve position authority for 1.0 Staff Services Manager I, 2.0 SSA/AGPAs to support the Licensing Curriculum Compliance Unit and modification to CAS to handle a portion of the workload associated with the provisions of SB 1246.

Pros: The additional staff will be able to partially handle the increase in complex workload, but will create a backlog.

Cons: Due to the lack of position authority the current backlog would increase without sufficient positions to handle current and increasing workload. It could cost the Board more money to pay for overtime, temporary help in the effort to be compliant with the provisions of SB 1246.

Analysis of Problem

Alternative #4: Status Quo. Do nothing.

Pros: The request would not require an augmentation to the Board's staff or appropriation.

Cons: The Board would continue to address the increased workload in Licensing and Curriculum Compliance Unit with current staffing levels, which would cause the Board to incur a backlog into this Licensing Unit. The Board would be required to re-direct staff from other critical areas such as Enforcement which would result in backlogs in those areas. The Board does not have staff to re-direct for this function.

G. Implementation Plan

The Board would advertise for all positions in June 2016 with an expected hire date of July 2016.

H. Supplemental Information

Facilities Costs

Additional Rent	\$13,000 (per year beginning January 2016)
Cubicle Move	8,000
New Cubes	19,000
Build Out	80,000

I. Recommendation

Recommendation of Alternative 1: Full funding and appropriation authority for 4.0 permanent positions including appropriation authority for facilities expansion to accommodate additional staff. This is the only feasible option to fully implement the requirements of SB 1246 and ensure the Board can fully carry out its licensing and examination activities.

SB 1246 Legislative BCP Acupuncture Board

Curriculum Compliance Evaluation of Individual licensure applicants			
Workload Function Category	Hours	Volume	Total Hours
Review application for completeness/ original documentation of all course work.	.5	1,000	500
Review curriculum for compliance with standards.	4	1,000	4,000
Verify course work with syllabi.	.5	1,000	500
Research and request syllabi for each course.	4	1,000	4,000
Follow-up communication with School(s).	.5	4,000	2,000
Follow-up communication with applicant.	.5	3,000	1,500
Consult Legal Counsel on issues.	.5	30	15
Consult EO for final determination.	.5	1,000	500
Draft approval or denial letter	2	1,000	2,000
Response to Appeals of Denials	1	1,000	1,000
		Total Hours	16,015
		1 position= 1776hrs	
		Total	9.0 SSA/AGPA
		Requested Positions	2.0

* Although workload metrics indicate that there is a need for 9.0 positions, the Board is requesting 2.0 SSA/AGPAs to maintain fund stability.

Curriculum Compliance of accredited non board approved schools			
Workload Function Category	Hours per task	School applications	Total Hours
Review of school application for completeness	40	20	800
Request course syllabi for all 3000 hours	4	20	80
Request faculty list	.5	20	10
Evaluation of course syllabi	120	20	2,400
Licensure checks of Faculty	2	20	40
Background checks of faculty	1	20	20
Follow-up with school	4	20	80
Final determination	10	20	200
Draft letter	2	20	40
Research standards for foreign training programs	320	1	320
Facilitate Committee meetings with Board and SMEs	40	4	160
Draft proposed standards	640	1	640
Coordinate curriculum compliance as mandated by SB 1246	10 hours/ week	52	5,200
Draft all SB 1246 regulations	160	2	320
Draft updated regulatory packages pursuant to SB 1246	320	5	1,600
		Total Hours	11,910
		1.0 position= 1776 hrs	6.7
		Total	6.7 SSA/AGPA
		Requested Positions	1.0

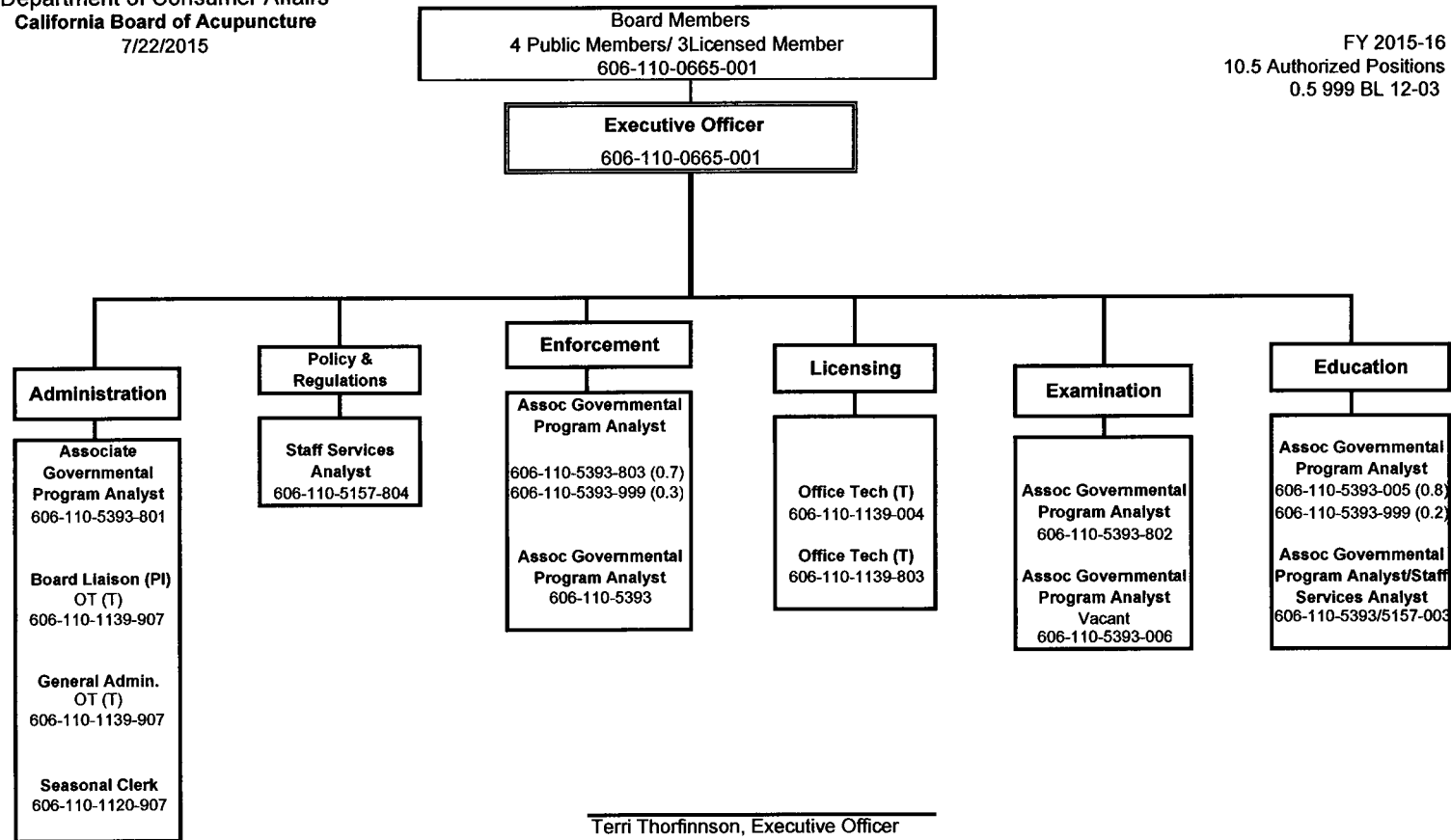
* Although workload metrics indicate that there is a need for 6.7 positions, the Board is requesting 1.0 SSA/AGPA to maintain fund stability.

Create Curriculum Standards for foreign training programs			
Workload Function Category	Hours	Volume	Total Hours
Process school applications	2	6	12
Process individual applications	.5	1,000	500
Request individual course syllabi (100 hundred courses)	4 per application	1,000	4,000
Secure faculty list for individual applications	1	1,000	1,000
Secure faculty list for school applications	1	6	6
Run background checks on faculty for individual applications (25 faculty)	6.25 per school	1,000	6,250
Run background checks on school applications	6.25 per school	6	37.5
		Total Hours	11,805.5
		1.0 position =1,776 hrs	6.6
		Total PYs	6.6 OTs
		Requested Positions	1.0

* Although workload metrics indicate that there is a need for 6.6 positions, the Board is requesting 1.0 OT to maintain fund stability.

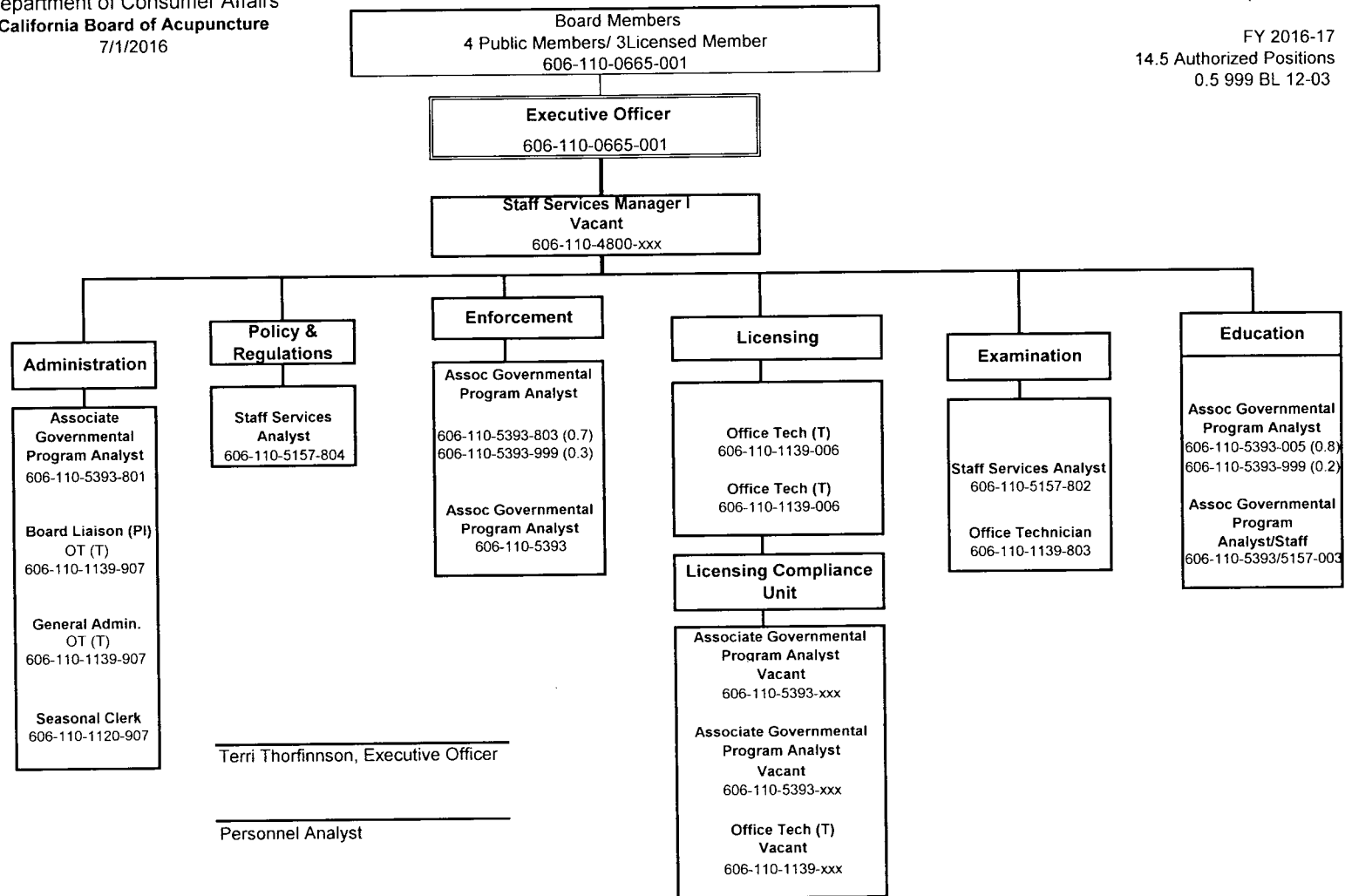
Department of Consumer Affairs
California Board of Acupuncture
7/22/2015

Current
FY 2015-16
10.5 Authorized Positions
0.5 999 BL 12-03



Terri Thorfinnson, Executive Officer

Personnel Analyst



0108 - Acupuncture

Analysis of Fund Condition

Prepared 10/08/2015

(Dollars in Thousands)

2015 Budget Act + BCP

	ACTUAL 2014-15	Governor's Budget CY 2015-16	BY 2016-17	BY+1 2017-18
BEGINNING BALANCE	\$ 2,127	\$ 1,699	\$ 1,469	\$ 1,628
Prior Year Adjustment	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 2,127	\$ 1,699	\$ 1,469	\$ 1,628
REVENUES AND TRANSFERS				
Revenues:				
125600 Other regulatory fees	\$ 52	\$ 47	\$ 47	\$ 47
125700 Other regulatory licenses and permits	\$ 684	\$ 1,086	\$ 1,086	\$ 1,086
125800 Renewal fees	\$ 1,870	\$ 2,073	\$ 2,073	\$ 2,073
125900 Delinquent fees	\$ 16	\$ 13	\$ 13	\$ 13
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ 5	\$ 5	\$ 5	\$ 5
150300 Income from surplus money investments	\$ 4	\$ 6	\$ 2	\$ 3
150500 Interest Income From Interfund Loans	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 2	\$ 2	\$ 2	\$ 2
161400 Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 2,633	\$ 3,232	\$ 3,228	\$ 3,229
Transfers from Other Funds				
Proposed GF 11-12 Loan Repayment			\$ 1,000	
Transfers to Other Funds				
GF Loan per item 1110-011-0108, Budget Act of 2011				
Totals, Revenues and Transfers	\$ 2,633	\$ 3,232	\$ 4,228	\$ 3,229
Totals, Resources	\$ 4,760	\$ 4,931	\$ 5,697	\$ 4,857
EXPENDITURES				
Disbursements:				
1110 - Program Expenditures (State Operations)	\$ 3,058	\$ 3,457	\$ 3,557	\$ 3,628
Licensing Curriculum Compliance Unit BCP			\$ 512	\$ 373
8880 - Financial Information System for California	\$ 2	\$ 5		
Total Disbursements	\$ 3,060	\$ 3,462	\$ 4,069	\$ 4,001
FUND BALANCE				
Reserve for economic uncertainties	\$ 1,699	\$ 1,469	\$ 1,628	\$ 856
Months in Reserve	5.9	4.3	4.9	2.5

NOTES: A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED IN BY+1 AND ON-GOING.

B. ASSUMES APPROPRIATION GROWTH OF 2% PER YEAR BEGINNING BY+1.

C. ASSUMES INTEREST RATE AT 0.3%